

Michael F. Ruggio
Polsinelli Shalton Flanigan Suelthaus PC
1152 15th Street, NW, Suite 800
Washington, D.C. 20005
(202) 783-3300
Fax: (202) 783-3535
mruggio@polsinelli.com

James E. Bird
Amy E. Hatch
Polsinelli Shalton Flanigan Suelthaus PC
700 West 47th Street, Suite 1000
Kansas City, Missouri 64112
(816) 753-1000
Fax: (816) 753-1536
jbird@polsinelli.com
ahatch@polsinelli.com

Counsel to MD-GSI Associates

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:)	Chapter 11
)	
CIRCUIT CITY STORES, INC., et al.,)	Case No.: 08-35653-KRH
)	
Debtors.)	Jointly Administered

**OBJECTION BY MD-GSI ASSOCIATES TO DEBTORS'
PROPOSED CURE AMOUNT**

MD-GSI Associates ("MD-GSI") hereby objects to the proposed cure amount identified by the Debtors on Exhibit A to the Debtors' Motion For Orders Under 11 U.S.C. §§ 105, 363, and 365 (I) Approving Bidding And Auction Procedures For Sale Of Unexpired Nonresidential Real Property Leases For Closing Stores, (II) Setting Sale Hearing Date, And (III) Authorizing And Approving (A) Sale Of Certain Nonresidential Real Property Leases Free And Clear Of Liens, Claims, And Encumbrances, (B) Assumption And Assignment of Certain Unexpired Nonresidential Real Property Leases, And (C) Lease Rejection Procedures.

1. MD-GSI is a landlord and Circuit City Stores, Inc (“Tenant”) is the tenant under that certain Lease Agreement dated September 10, 1998 (the “Lease Agreement”). The Debtors have asserted that they have an unexpired non-residential leasehold interest in the Lease Agreement. Under the Lease Agreement, Tenant is to make monthly payments of base rent and its pro rata share of common area maintenance expenses. Tenant is also to pay its pro rata share for taxes and insurance at the leased premises (the “Property”).

2. The Debtors intend to possibly sell their interest in the Lease Agreement pursuant to certain bidding procedures to be established by this Court. Pursuant to Section 365(b) of the United States Bankruptcy Code, prior to assuming or assigning any interest in a lease agreement, a debtor must first cure the default amounts under the lease agreement.

3. As of December 22, 2008, the date Debtors seek to have this Court enter an Order possibly assuming and/or assigning the Lease Agreement, MD-GSI will be owed the following amounts: base rent for the month of November 2008 in the amount of \$9,223.09; common area maintenance charges in the amount of \$589.00; estimated common area maintenance reconciliation in the amount of \$7,119.75; and real estate taxes in the amount of \$30,213.32. Thus, as of December 22, 2008, the total amount necessary to cure the monetary defaults under the Lease Agreement is \$47,145.16. A copy of a statement from MD-GSI showing the amounts owed along with its itemization regarding the amounts that are owed pre-petition is attached hereto as **Exhibit A**.

4. On Exhibit A to the Order, the Debtors identify the cure amount due under the Lease Agreement as \$10,822.00. MD-GSI objects to that cure amount to the extent it fails to properly account for the full default amount under the Lease Agreement, as itemized in paragraph 3 above, in the amount of \$47,145.16.

WHEREFORE, MD-GSI Associates requests that the Court enter an Order directing that the cure amount for the Lease Agreement is \$47,145.16 and for all other relief the Court deems appropriate.

POLSINELLI SHALTON FLANIGAN SUELTHAUS PC

By: /s/ Michael F. Ruggio
MICHAEL F. RUGGIO (VA # 22953)
1152 15th Street, NW, Suite 800
Washington, D.C. 20005
(202) 783-3000
Fax: (202) 783-3535

JAMES E. BIRD (MO #28833)
AMY E. HATCH (MO #53116)
700 West 47th Street, Suite 1000
Kansas City, Missouri 64112
(816) 753-1000
Fax: (816) 753-1536

ATTORNEYS FOR MD-GSI ASSOCIATES